

Report on Carriage of Fresh Flowers in Refrigerated Containers

1. Trial Shipment

A trial shipment was carried out by P&O Nedlloyd on behalf of FTG. The plan was to position a P&O Nedlloyd temperature controlled 20' container at the packing location, move it by road to Mombasa, under controlled temperature, and ship it on the Maersk service to Rotterdam, via Salalah.

1.1. Transport in Kenya

FTG had specifically requested that only PONL container be used. They made it clear that a Maersk container would not be acceptable, and this was agreed to by PONL in Rotterdam.

Two PONL containers of less than 5 years of age were set aside for the trial. These containers were in Mombasa, because all refrigerated containers that are used for exports from Kenya have to be brought in as empties, there being no significant imports of refrigerated cargoes.

Two generator sets (Gensets) was also set aside for this trial. There were no Gensets in Nairobi, so they also were only available in Mombasa.

The reason for allocating two units and Gensets was to ensure that should one container/genset fail, there was a back up.

Had there been Gensets in Nairobi, then the two containers would have been moved to Nairobi on a single 40' trailer, and the Genset fitted at the depot in Nairobi. Unfortunately, because the only Gensets available were in Mombasa, it was not possible to load both containers with their Gensets attached onto a single trailer. It was therefore decided to only send one container/Genset to Nairobi, as the cost of transporting the two containers on separate vehicles would have been prohibitive.

The normal arrangements with road transporters who move empty containers to Nairobi is for them to be allowed to use the container to carry their own goods. This then significantly reduces the cost to the shipping line of getting the empty container to Nairobi. However, as this was a trial shipment, and in order to ensure a properly clean container was available for packing, the transporter was instructed to ensure that the container was NOT used to transport goods, and was sealed in Mombasa. This meant that the transporter was not able to earn any revenue from the move of the container to Nairobi, so it meant that PONL had to bear a much higher cost for this move than normal.

PONL contracted with one of its more reliable transporters to move the container from Mombasa to Nairobi. Unfortunately the tractor unit broke down while en-route from Mombasa. The transporter reacted slowly to arrange recovery of the container, resulting in a delay in the arrival of the container at the packing location. Nevertheless the

container was duly packed, and as a precaution the container was escorted from Nairobi to Mombasa overnight by two PONL staff in a car, and a separate tractor unit, in case there was any other difficulty. In fact the container arrived at Mombasa without further incident, and was taken to a depot, where the genset was removed, a local tractor unit took the container to the port, where it was immediately put onto the refrigerated container stack and set to the required 0.5 degrees temperature. PONL terminal operations staff then monitored the container while it was on the terminal.

Rail transport had been considered as an alternative to road, but unfortunately the poor condition of the railway, rolling stock and locomotives means that there is a high risk of the train and/or rail wagon failing or train/wagon derailment. Should this happen then it would be almost impossible to access the container to retrieve it, and move it by road. At least, if there is a break down on the road, then recovery is relatively easy.

1.2. Loading to the vessel

This was handled without incident. The container was plugged into the ships electricity supply, and the temperature setting checked by the First Office, the ship having been previously advised of the required setting.

1.3. Transshipment in Salalah

The Maersk office in Salalah had been previously advised of the shipment, so they were aware of the requirements, particularly to ensure a quick transfer to the vessel which was to take it on the Rotterdam. There is a standing instruction with Maersk in Salalah that temperature controlled cargo containers take priority with transshipment.

2. Future Shipments

For future shipments Maersk containers should be used as well as PONL units. This would mean that containers would be available in Nairobi, either from imports, or units that have been positioned up from Mombasa, where the transporter has been allowed to use the unit for carrying general goods. Adequate advanced booking of containers will allow time for containers to be positioned to Nairobi, and cleaned prior to presentation for loading. Nevertheless it may be necessary to review the pricing of the transport operation as transport costs in Kenya are increasing.

Based on the potential volume of shipment that could be expected for this business, then one specific road transporter would be contracted to handle only this flower business. The transporter would be able to dedicate a fleet of vehicles particularly to this contract and so would be familiar with the necessary requirements, and could be relied upon to ensure that any delays, breakdowns, or other failures were swiftly dealt with. Such a contract could also keep the cost below the normal market rate.

